

Central Valley Regional Water Quality Control Board

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RESPONSE TO PROPOSED MODIFICATIONS TO THE CITY OF REDDING'S PRIVATE LATERAL REPLACEMENT PROGRAM SUPPLEMENTAL ENVIRONMENTAL PROJECT, SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF ORDER, ORDER NO. R5-2012-0112.

The Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the request for Proposed Modifications to the City of Redding's Private Lateral Replacement Program Supplemental Environmental Project submitted on 22 July 2015.

The City of Redding is proposing to raise the current reimbursement amount from \$5,000 to \$7,800 per private lateral. The City of Redding argues that this amount would "cover the majority of replacements while still providing a competitive control over individual bid prices."

In addition, the 22 July 2015 letter implies that a total of 142 homeowners have been determined eligible for the City of Redding's Private Lateral Replacement Program and directed to obtain quotes. As part of the SEP (Attachments K and L), it was expected that only laterals installed prior to 1 January 1973 would be eligible for the program. The City of Redding is requesting that the 1 January 1973 requirement be changed to 1 January 1983 to increase the number of deficient laterals eligible for replacement.

The Central Valley Water Board is willing to support the proposed modifications to Order No. R5-2012-0112, with the goal of achieving additional private lateral replacements in the originally ordered timeframe. Therefore, the Central Valley Water Board conditionally approves the City of Redding's request to change the reimbursement amount from \$5,000 to \$7,800 and to change the eligibility date from 1 January 1973 to 1 January 1983 as long as the following requirements are implemented:

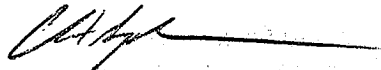
1. Homeowners that have already replaced their private laterals and been reimbursed, but expended greater than the current \$5,000 under the City of Redding's Private Lateral Replacement Program Supplemental Environment Project should be contacted and reimbursed the full cost of the replacement or up to the new cap of \$7,800.
2. Priority shall be given to those homeowners currently on the Project Bid Tracking – SEP spreadsheet provided to the Central Valley Water Board.
3. Priority shall be given to those homeowners whose private laterals meet the original construction date of 1 January 1973.

As of today, the City of Redding is approximately 2 ½ years into a 5-year project, and only four sewer laterals have been replaced. While a significant amount of preparatory and review work is to be expected in a project of this size, the quarterly reports indicate very little progress is being made. Significant improvement to the program is still required for the City of Redding to meet the requirements of the SEP and be eligible for the suspended penalty reductions. When the Central Valley Water Board wrote to the City of Redding approximately one year ago, no private laterals had been replaced. As the City of Redding may recall, the City of Redding is one of the few, if not the only SEP that was approved for a greater than 50% of the recommended administrative penalty.

Order No. R5-2012-0112 contemplates "timely progress" toward the accomplishment of the SEP annual goals for lateral replacement, which the City of Redding has not met. The City of Redding should be aware that there are significant financial consequences pursuant to the Order for the failure to replace an adequate number of private laterals, including the payment of the unspent SEP portion of the Order (\$800,000, the "SEP Suspended Liability," as defined in the Order) and the payment of the portion of the penalty that was expected to have been progressively waived as the laterals were installed (\$425,000, the "Suspended Penalty Reduction Amount", as defined in the Order; see Attachment L). The Central Valley Water Board is also entitled to recoup its enforcement costs, which include costs to prepare the 2014 Central Valley Water Board correspondence on this topic, any efforts made to modify Order No. R5-2012-0112, and future efforts to ensure Redding either completes the SEP successfully or fulfills its financial obligations under the Order for not completing the SEP (see para. 21 of the Order).

The Central Valley Water Board wants to make sure any changes are consistent with the intent of the Order and will enable Redding to get the SEP back on track. No extension on the final project deliverables will be given based on Redding's performance to date, and failure to adequately implement the SEP.

If you have any questions, please contact Daniel Warner of my staff at (530) 224-4848, dwarner@waterboards.ca.gov, or at the footer address.



Clint E. Snyder, P.G.
Assistant Executive Officer

DLW:lmw

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